

IMPERIAL COUNTY ECONOMIC FORECAST

Imperial County is located at the extreme southeastern edge of the state, sharing its western border with San Diego County and its southern border with Mexico. Imperial County has a population of nearly 170,000 people, together with 56,700 wage and salary jobs. The per capita income in Imperial County is \$21,615, and the average salary per worker is \$36,962, both measures representing the lowest levels among all Southern California counties.

Economic growth in Southern California has been strong during the decade, but was even more impressive during 2006. Last year 3,700 total jobs were created in Inland County, implying a growth rate of 7.0 percent. The non-farm growth rate was 5.2 percent. The unemployment rate fell in 2006, but still remains very high at 15.3 percent. This high unemployment rate is largely due to the large farm sector, which represents 21 percent of total employment in the county. While this percentage is high, it has been declining, and as it declines so will the unemployment rate.

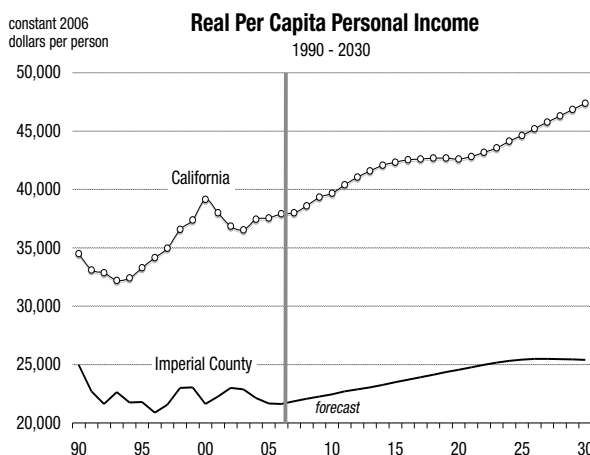
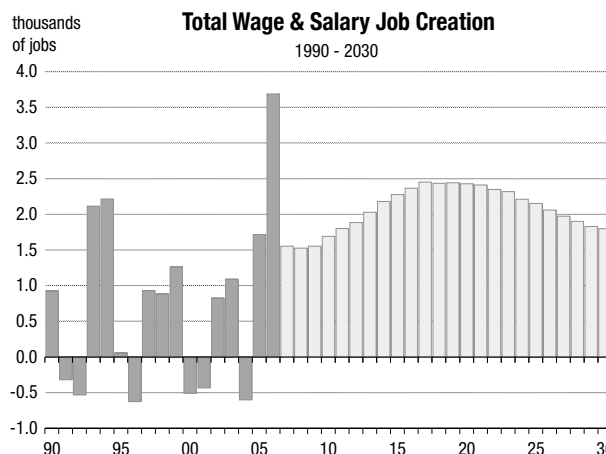
The principal labor markets in Imperial County are farming, retail trade, and government. The latter accounts for over 30 percent of total employment, and retail trade contributes another 14 percent of total jobs. In 2006, the government, retail trade and professional services sectors all created approximately 500 jobs, while the farm sector added nearly 1,500 workers.

Between January 2006 and 2007, the population grew at a rate of 3.4 percent in Imperial County, the highest of any county. The city of Imperial added nearly 1,700 people, at a rate greater than 10 percent.

Employment growth will moderate in Imperial County in 2007 and over the next several years, though the extent of job creation will remain healthy. The population is expected to continue to grow at one of the highest rates in the state.

FORECAST HIGHLIGHTS

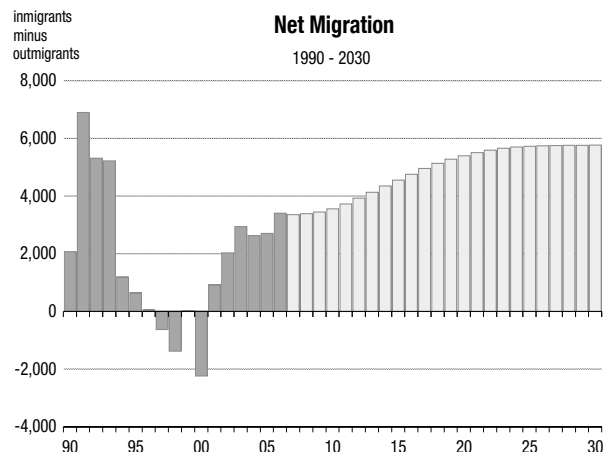
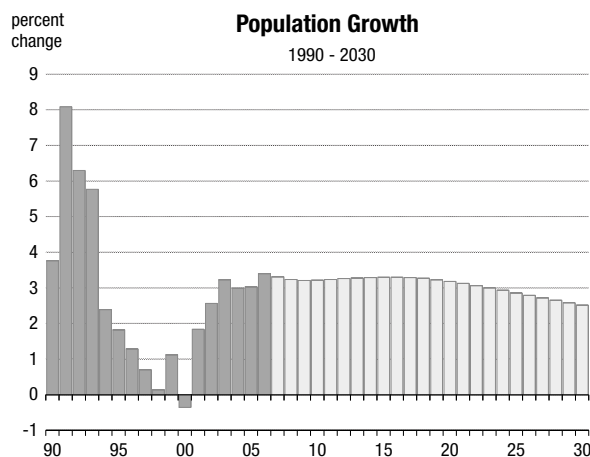
- Non-farm job growth is expected to fall in 2007, averaging 3.9 percent. From 2007 to 2011, the average annual growth rate is 3.6 percent per year. Total wage and salary growth will be lower at 2.7 percent, due to the declining farm sector.
- Average salaries adjusted for inflation are currently well below the California state average, and will remain so over the forecast horizon. Real average salaries rise by an average of 1.8 percent per year over the next 5 years.
- Ninety-five percent of net job creation is expected to occur in the government, professional services and retail trade sectors over the next five years. Government employment alone increases by 4,000 jobs. Professional services employment grows by more than 50 percent in five years. Farm employment is expected to decline by nearly one percent per year.
- The population will continue to grow at a very high rate in the county. Annual growth in the 2007 to 2011 period averages 3.2 percent per year.
- Net migration remains at elevated levels throughout the next five years. The forecast of net migration indicates an average of 3,500 people entering the county per year over the next five years.
- Real per capita incomes increase at a rate of 1.1 percent in 2007. An annual compound rate of growth of 1.0 percent is forecast from 2007 to 2011.
- Total taxable sales are expected to increase by an average of 11.1 percent over the next five years.
- Industrial production will increase by 7.2 percent in 2007. Over the next five years the growth rate of industrial production will average 6.1 percent per year.



Imperial County Economic Forecast

1997-2006 History, 2007-2030 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (millions)	Unemploy- ment Rate (percent)
1997	142,300	-623	106.7	38.2	327	\$1.05	\$2.33	\$21,554	1.7	1,367.9	287.2	26.9
1998	142,500	-1,376	108.8	38.6	394	\$1.11	\$2.53	\$22,986	1.4	1,404.8	305.6	25.9
1999	144,100	32	112.1	38.9	333	\$1.29	\$2.62	\$23,035	2.3	1,324.3	322.9	23.6
2000	143,589	-2,233	115.1	39.4	677	\$1.40	\$2.53	\$21,617	3.3	1,128.1	344.3	15.8
2001	146,230	928	117.4	39.7	756	\$1.38	\$2.74	\$22,254	3.4	1,199.1	354.6	15.9
2002	149,981	2,034	127.0	40.5	1,062	\$1.44	\$2.99	\$22,985	2.8	1,413.6	431.6	15.0
2003	154,828	2,947	128.9	41.3	1,211	\$1.53	\$3.15	\$22,869	2.6	1,208.3	478.5	15.6
2004	159,458	2,634	138.2	42.4	2,157	\$1.69	\$3.24	\$22,125	3.3	1,293.2	475.7	17.1
2005	164,293	2,705	140.4	43.7	2,974	\$2.00	\$3.41	\$21,662	4.5	1,270.8	479.8	16.0
2006	169,888	3,405	144.6	46.7	1,851	\$2.24	\$3.67	\$21,615	4.3	1,256.9	498.9	15.3
2007	175,521	3,358	149.3	48.8	1,522	\$2.57	\$3.97	\$21,849	3.6	1,237.6	535.0	15.1
2008	181,206	3,392	155.4	50.3	1,528	\$2.85	\$4.24	\$22,053	2.5	1,201.1	571.3	15.3
2009	187,029	3,452	161.4	51.8	1,553	\$3.14	\$4.53	\$22,251	2.5	1,215.1	605.5	14.6
2010	193,042	3,559	167.3	53.3	1,543	\$3.46	\$4.86	\$22,443	3.1	1,213.5	639.2	13.8
2011	199,291	3,729	172.9	54.8	1,607	\$3.79	\$5.22	\$22,696	2.9	1,191.5	670.5	13.2
2012	205,794	3,930	178.1	56.4	1,636	\$4.13	\$5.58	\$22,864	2.7	1,191.9	700.8	12.8
2013	212,545	4,138	183.5	58.0	1,661	\$4.48	\$5.97	\$23,027	2.8	1,197.7	732.0	12.4
2014	219,547	4,352	188.7	59.6	1,696	\$4.85	\$6.40	\$23,252	2.8	1,190.8	764.6	12.0
2015	226,787	4,561	193.9	61.3	1,732	\$5.24	\$6.88	\$23,478	3.1	1,187.0	794.9	11.5
2016	234,267	4,762	199.1	63.0	1,764	\$5.65	\$7.41	\$23,705	3.2	1,182.8	823.5	11.0
2017	241,987	4,961	203.6	64.7	1,809	\$6.09	\$7.96	\$23,904	3.2	1,155.6	853.5	10.4
2018	249,904	5,137	207.8	66.5	1,849	\$6.53	\$8.55	\$24,121	3.0	1,156.8	887.0	9.9
2019	257,987	5,281	211.2	68.3	1,882	\$6.99	\$9.18	\$24,359	3.0	1,153.1	918.4	9.4
2020	266,201	5,403	213.9	70.2	1,905	\$7.47	\$9.84	\$24,551	3.0	1,144.5	951.1	8.8
2021	274,538	5,509	216.7	72.0	1,913	\$7.97	\$10.53	\$24,751	3.0	1,120.7	980.7	8.3
2022	282,963	5,596	219.1	73.9	1,920	\$8.49	\$11.28	\$24,968	3.0	1,117.2	1,003.2	8.0
2023	291,472	5,660	221.1	75.8	1,919	\$9.02	\$12.06	\$25,166	3.0	1,087.2	1,027.2	7.7
2024	300,025	5,701	223.1	77.7	1,925	\$9.55	\$12.83	\$25,311	2.8	1,079.1	1,051.9	7.5
2025	308,617	5,727	225.0	79.5	1,933	\$10.11	\$13.64	\$25,423	2.9	1,055.7	1,073.1	7.2
2026	317,234	5,746	227.3	81.4	1,941	\$10.68	\$14.46	\$25,475	2.9	1,039.1	1,093.3	6.8
2027	325,869	5,756	230.1	83.3	1,951	\$11.27	\$15.30	\$25,477	3.0	1,022.1	1,110.3	6.6
2028	334,510	5,760	233.2	85.3	1,960	\$11.89	\$16.19	\$25,462	3.2	999.4	1,130.8	6.5
2029	343,150	5,765	236.5	87.2	1,967	\$12.54	\$17.11	\$25,430	3.2	995.7	1,153.6	6.2
2030	351,799	5,769	240.1	89.1	1,964	\$13.20	\$18.06	\$25,386	3.1	984.1	1,175.6	6.0



Imperial County Employment Forecast

1997-2006 History, 2007-2030 Forecast

	Total Wage & Salary	Farm	Mining & Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
-----employment (thousands of jobs)-----												
1997	48.8	13.87	1.4	1.6	1.4	7.0	1.3	2.2	0.5	2.2	2.8	14.0
1998	49.7	14.28	1.4	1.7	1.5	7.0	1.3	2.1	0.4	2.2	2.8	14.4
1999	51.0	14.35	1.7	1.6	1.5	7.4	1.3	1.8	0.4	2.3	2.9	14.8
2000	50.4	12.30	2.0	1.6	1.6	7.9	1.4	1.9	0.4	2.2	2.9	15.5
2001	50.0	11.34	1.7	1.8	1.7	7.8	1.4	1.7	0.4	2.3	2.8	16.1
2002	50.8	10.14	1.7	2.5	1.7	7.9	1.4	2.1	0.4	2.4	2.9	16.7
2003	51.9	10.78	1.6	2.5	1.9	8.2	1.4	2.2	0.4	2.5	2.7	16.9
2004	51.3	10.43	1.8	2.4	1.8	8.3	1.3	2.1	0.4	2.5	2.9	16.5
2005	53.0	10.57	1.9	2.3	1.8	9.0	1.3	2.2	0.4	2.8	3.1	16.8
2006	56.7	12.05	2.0	2.5	1.8	9.4	1.4	2.7	0.4	2.9	3.2	17.4
2007	58.3	11.88	1.9	2.6	1.8	9.7	1.4	3.0	0.4	2.9	3.3	18.2
2008	59.8	11.75	1.9	2.7	1.9	10.1	1.4	3.3	0.4	3.0	3.3	18.9
2009	61.4	11.61	1.8	2.8	1.9	10.5	1.4	3.6	0.4	3.0	3.3	19.8
2010	63.1	11.55	1.8	2.8	2.0	10.9	1.4	4.0	0.4	3.1	3.3	20.6
2011	64.9	11.51	1.8	2.9	2.1	11.3	1.4	4.3	0.4	3.1	3.3	21.6
2012	66.8	11.44	1.8	2.9	2.1	11.6	1.4	4.7	0.4	3.2	3.4	22.6
2013	68.8	11.41	1.8	2.9	2.2	12.0	1.4	5.0	0.4	3.3	3.4	23.7
2014	71.0	11.39	1.8	2.9	2.3	12.4	1.4	5.4	0.4	3.4	3.4	24.9
2015	73.2	11.38	1.7	2.9	2.3	12.7	1.4	5.8	0.4	3.5	3.4	26.2
2016	75.6	11.36	1.8	2.9	2.4	13.1	1.4	6.2	0.4	3.7	3.4	27.5
2017	78.1	11.34	1.8	2.9	2.5	13.4	1.4	6.7	0.4	3.8	3.4	28.9
2018	80.5	11.28	1.8	2.9	2.5	13.8	1.4	7.2	0.4	4.0	3.4	30.3
2019	82.9	11.25	1.8	2.9	2.6	14.1	1.4	7.6	0.5	4.1	3.4	31.7
2020	85.4	11.22	1.8	2.9	2.6	14.5	1.4	8.1	0.5	4.3	3.4	33.0
2021	87.8	11.19	1.8	2.9	2.7	14.8	1.4	8.6	0.5	4.4	3.4	34.3
2022	90.1	11.13	1.8	2.9	2.8	15.2	1.4	9.1	0.5	4.6	3.4	35.6
2023	92.5	11.09	1.8	2.9	2.8	15.5	1.4	9.6	0.5	4.8	3.4	36.8
2024	94.7	11.01	1.8	2.9	2.9	15.8	1.4	10.1	0.5	4.9	3.4	38.0
2025	96.8	10.95	1.8	2.9	3.0	16.2	1.4	10.6	0.5	5.1	3.4	39.1
2026	98.9	10.87	1.8	2.9	3.0	16.5	1.4	11.1	0.5	5.3	3.5	40.2
2027	100.9	10.79	1.8	2.9	3.1	16.8	1.4	11.6	0.5	5.4	3.5	41.1
2028	102.8	10.72	1.8	2.9	3.2	17.0	1.4	12.1	0.5	5.6	3.5	42.1
2029	104.6	10.63	1.8	2.9	3.2	17.3	1.4	12.6	0.5	5.7	3.5	42.9
2030	106.4	10.57	1.8	2.9	3.3	17.6	1.4	13.1	0.5	5.9	3.5	43.8

